

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

NEW BALANCE ATHLETICS, INC.,

Plaintiff,

v.

USA NEW BUNREN INTERNATIONAL
CO. LIMITED LLC,

Defendant.

Civil Action No. 17-cv-01700-MN

Honorable Maryellen Noreika

**STATEMENT OF UNCONTROVERTED FACTS IN SUPPORT OF PLAINTIFF'S
MOTION FOR PARTIAL SUMMARY JUDGMENT**

UNCONTROVERTED FACTS

1. Since as early as January 1, 1974, New Balance has adopted and used in U.S. commerce, including in Delaware, trademarks featuring a slanted block letter “N” on its own or in combination with other elements, including a similarly stylized letter “B,”—displayed as “NB”—in connection with (among other things) footwear and apparel (collectively, the “N Marks”). Exs. 1-8.¹

2. The images below consist of New Balance footwear featuring New Balance’s N Mark:



Answer to First Amended Complaint (“Answer”) (D.I. 27) ¶ 13.

3. The image below consists of New Bunren footwear featuring New Bunren’s slanted letter “N” trademark:

¹ Ex(s). __ refers to the Exhibits attached to the Declaration of Jeremy Buxbaum (“Buxbaum Decl.”), filed concurrently herewith.



Ex. 9 at NEW BUNREN 000077.

4. New Balance was founded in 1906. Ex. 10 at NEW BALANCE 000127-000128; Declaration of Daniel McKinnon (“McKinnon Decl.”) ¶ 2, filed concurrently herewith.

5. New Balance is one of the largest shoe and athletic apparel manufacturers in the world, with over 4,000 employees and more than \$4.5 billion in annual sales worldwide in 2018, approximately 30% of which can be attributed to U.S. sales. Ex. 10 at NEW BALANCE 000131; Ex. 11 (Supp. Ans. to Inter. No. 5); Ex. 12.

6. New Balance is the only major company that manufactures athletic footwear in factories located within the United States. Ex. 10 at NEW BALANCE 000130; Exs. 13-14; McKinnon Decl. ¶ 2.

7. Since its earliest days, New Balance has focused on fit and authenticity as its core brand messaging. Ex. 10 at NEW BALANCE 000127-000132; McKinnon Decl. ¶ 2.

8. New Balance has achieved significant brand loyalty among customers in the marketplace. Exs. 15-22; McKinnon Decl. ¶ 3.

9. New Balance has designed and developed numerous well-recognized and even iconic shoe designs and models, and related apparel. Ex. 10 at NEW BALANCE 000128-000129; McKinnon Decl. ¶ 3.

10. New Balance has sold hundreds of millions of pairs of shoes and clothing items worldwide. Exs. 12, 14; McKinnon Decl. ¶ 3.

11. New Balance owns valid, subsisting, and incontestable U.S. trademark registrations for its N Marks for use in connection with footwear, apparel, and/or related goods and services.

Exs. 1-8.

12. New Balance consistently and prominently uses and displays its N Marks in connection with the advertising, promotion, and sale of its goods and services. Exs. 11 (Supp. Ans. to Inter. No. 12), 23.

13. From 2012 to 2017, New Balance spent an average of approximately \$75 million annually on global marketing expenditures. In 2018, New Balance spent approximately \$94 million on global marketing expenditures. The vast majority of these expenditures was directed to the U.S. market. Ex. 11 (Supp. Ans. to Inter. No. 12); McKinnon Decl. ¶ 4.

14. Third-party retailers consistently advertise New Balance products through prominent use of the N Marks. Ex. 11 (Supp. Ans. To Inter. No. 12); McKinnon Decl. ¶ 4.

15. By 2010, New Balance had established a global presence, generating \$1.8 billion in sales (approximately \$540 million of which was generated from U.S. sales), employing over 4,000 associates, and selling products in more than 120 countries. Ex. 10 at NEW BALANCE 000131.

16. During 2012, New Balance generated approximately \$2.39 billion in revenue worldwide, approximately \$717 million of which was generated from U.S. sales. Ex. 11 (Supp. Ans. to Inter. No. 12).

17. In 2013, New Balance generated approximately \$2.73 billion in revenue worldwide, approximately \$819 million of which was generated from U.S. sales. Ex. 11 (Supp. Ans. to Inter. No. 12).

18. In 2014, New Balance generated approximately \$3.3 billion in revenue worldwide, approximately \$1 billion of which was generated from U.S. sales. Ex. 11 (Supp. Ans. to Inter. No. 12).

19. In 2015, New Balance generated approximately \$3.72 billion in revenue worldwide, approximately \$1.11 billion of which was generated from U.S. sales. Ex. 11 (Supp. Ans. to Inter. No. 12).

20. In 2016, New Balance generated approximately \$3.8 billion in revenue worldwide,

approximately \$1.14 billion of which was generated from U.S. sales. Ex. 11 (Supp. Ans. to Inter. No. 12).

21. In 2017, New Balance generated approximately \$4.5 billion in revenue worldwide, approximately \$1.35 billion of which was generated from U.S. sales. Ex. 11 (Supp. Ans. to Inter. No. 12).

22. By 2014, New Balance had established partnerships and sponsorships with Dustin Pedroia, Heidi Klum, Emma Coburn, and the “Peanuts” comic strip. Exs. 24-27.

23. New Balance has a partnership with Kawhi Leonard, is the official footwear and apparel company of the New York Mets, and the official football kit provider for the Liverpool Football Club, the Costa Rican men’s and women’s national teams, and the Panamanian men’s and women’s national teams. Exs. 28-33.

24. The consuming public and the trade have come to recognize the N Marks as identifying a single source of high-quality products and services. Exs. 15-22.

25. New Balance’s N Marks are famous. Ex. 10 at NEW BALANCE 000128-000129, 000131; Exs. 11 (Supp. Ans. To Inter. No. 12), 12, 14-22, 24-37.

26. Defendant New Bunren was registered as a Delaware LLC in 2012. Ex. 66.

27. Although no formal relationship exists, New Bunren is the U.S. affiliate of Qierte Corporation Ltd (“Qierte”), of China. Ex. 38 (Ans. to Inter. 1-3, 5); Ex. 39 at 23:22-24:7; 25:2-27:5; 27:17-28:6; 32:10-33:20; 43:7-45:6; 46:20-23.

28. Since 2016, New Balance has been engaged in trademark infringement litigation with Qierte in China in connection with Qierte’s use of an “N” trademark that is the equivalent of those New Bunren has registered and uses in the U.S. Ex. 39 at 80:5-81:1; Ex 40. McKinnon Decl. ¶ 5.

29. In April 2017, a court in China awarded New Balance \$500,000 in damages after ruling that a New Bunren “N” trademark, equivalent to those it registered and uses in the U.S., infringed New Balance’s rights in one of its equivalent N Marks that New Balance uses in China. Ex. 40; McKinnon Decl. ¶ 5.

30. With the goal of marketing and selling New Bunren-branded footwear and apparel in the United States, New Bunren federally registered at Qierte's direction six trademarks—two for "New Bunren" and four for a slanted block "N." Ex. 39 at 27:17-28:6; 32:10-33:20; 34:7-35:5, 41:22-42:9; Exs. 41-46; Answer ¶ 28.

31. Each of the applications for these trademarks referenced in paragraph 30 above was filed on an intent-to-use basis. Exs. 41-46.

32. Once the marks were allowed by the USPTO, New Bunren or its predecessor in interest (collectively "New Bunren") filed statements of use with the USPTO declaring under oath that New Bunren was using the applied-for mark in U.S. commerce in connection with all of the goods listed in the underlying application, including footwear and apparel. Exs. 47-52.

33. In 2014, New Bunren began displaying, marketing, and/or offering for sale in the U.S. footwear and apparel products bearing a slanted "N" mark at www.new-bunren.com and www.taobao.com. The New Bunren website was shut down in 2018. Exs. 9, 38 (Ans to Inter. 9-10, 12); Ex. 39 at 37:19-38:7; 65:12-66:7; 85:15-86:4; 88:1-14-89:13; 89:22-90:3; 91:12-19; 93:22-94:5; 95:1-5; 95:13-96:7; 97:1-5; 97:19-98:1; 100:10-13; 147:2-7; 152:18-153:2; 200:3-7; Exs. 53-56; 65 (Resp. to RFA No. 14).

34. Even after the New Bunren website was shut down, New Bunren products bearing the slanted block "N" mark were still for sale in the U.S. at www.taobao.com. Ex. 39 at 91:12-19; 93:22-94:5; 95:22-96:7.

35. New Bunren contends that it has sold no products in the U.S. Ex. 38 (Ans. to Inter. Nos. 11-12); 65 (Resp. to RFA No. 13).

36. The "N" mark used by New Bunren is nearly identical to New Balance's N Marks. *Compare* Statement of Uncontroverted Facts ¶¶ 1, 2 *with* 3, 30, 33; Answer ¶¶ 13, 25, 28.

37. New Bunren uses/has used the "N" mark on footwear and apparel. Exs. 9, 38 (Ans. to Inter. No. 7); Ex. 39 at 34:7-35:5; 69:8-15; 103:22-105:4; Exs. 41-46, 53-58.

38. New Bunren targets all classes of consumers. Ex. 38 (Ans. to Inter. No. 8).

39. New Balance actively polices unauthorized use of its N Marks by maintaining an

active enforcement program, which includes sending cease and desist letters, filing lawsuits in federal district court, and filing oppositions and cancellation petitions. McKinnon Decl. ¶ 6.

40. On January 26, 2016, New Balance filed Petitions for Cancellation of New Bunren's aforementioned trademarks in the Trademark Trial and Appeal Board ("TTAB") of the USPTO. Because New Bunren had assigned its four "N" marks to Qierte, Qierte was also a party to the cancellation proceedings. Exs. 59-61.

41. On June 20, 2018, the TTAB entered judgment in favor of New Balance. On June 29, 2018, the registrations of the four "N" marks were cancelled. And on July 3, 2018, the registrations for the two "New Bunren" marks were cancelled. Exs. 62-64.

42. At her deposition, New Bunren's corporate representative, Shy Fu Pao, was not able to distinguish New Bunren's shoes bearing its "N" mark from New Balance's shoes bearing its N Marks when presented with the images of the shoes side-by-side. Ex. 39 at 173:12-176:22.

43. At her deposition, Ms. Pao. confused the pronunciations of "New Bunren" and "New Balance." Ex. 39 at 74:10-75:23; 159:17-160:16.

44. On its website, New Bunren advertised several of its products as "American Classics" and displayed the name "New Balance." Exs. 9, 55, 65 (Resp. to RFA No. 11); Ex. 38 (Ans. to Inter. No. 16); Answer ¶¶ 34-35.

45. New Bunren was aware of New Balance's N Marks prior to the adoption of its "N" mark in 2012 and when it began using its "N" mark in 2014. Exs. 38 (Ans. to Inter. No. 4); 39 at 78:3-11; 171:7-16.

46. New Balance's products, on average, retail for anywhere between \$50-\$180. McKinnon Decl. ¶ 7.

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Respectfully submitted,

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